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## Italy

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### **EU and Malta Partnership Funds for Structural and Investment Growth**

**Report Categories:**

Agricultural Situation

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**Report Highlights:**

Since Malta joined the European Union in 2004, European funds have served as a major contributor towards enhancing the country's socio-economic infrastructure. On October 29, 2014, the office of the Maltese Deputy Prime Minister and the Parliamentary Secretariat for the EU Presidency 2017 announced that the European Commission had approved Malta's Partnership Agreement for 2014-2020. The agreement will allow Malta to invest around €1 billion of EU funds that will see an increase in economic growth, and to create more jobs. Malta will be benefitting from the following funds: European Regional Development Fund; the European Social Fund; the Cohesion Fund; the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund.

## **General Information:**

### **European Commission adopts 'Partnership Agreement' with Malta on using EU Structural and Investment Funds for growth and jobs in 2014-2020**

Since Malta joined the European Union in 2004, European funds have served as a major contributor towards enhancing the country's socio-economic infrastructure. These funds were also directed towards competitiveness and the development of human capital with a view to provide a better quality of life for all Maltese citizens. In the upcoming seven years (2014-2020), Malta will have the opportunity to benefit from funding under the European Structural and Investments Funds, covering European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF). These funds will be instrumental to foster the right environment for economic growth, job creation, technological development, productivity, a higher standard of living and a more inclusive society which will enable Malta to reach its targets at national and EU level.

On October 29, 2014, the office of the Maltese Deputy Prime Minister and the Parliamentary Secretariat for the EU Presidency 2017 announced that the European Commission had approved Malta's Partnership Agreement for 2014-2020. After an extensive consultation process (which lasted over two years and involved several Ministries, including economic and social partners, and the general public), the first draft of the "Partnership Agreement" was submitted in April 2014. Following six months of intense negotiations to define Malta's priorities, the European Commission just finalized and approved funding allocations. The agreement will allow Malta to invest around €1 billion of EU funds that will see an increase in economic growth, and to create more jobs. Malta will be benefitting from the following funds: European Regional Development Fund; the European Social Fund; the Cohesion Fund; the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund.

Malta's 2014-2020 allocation will be approximately €729 million for Cohesion Policy (ERDF, ESF, Cohesion Fund) including €17 million for territorial cooperation and €3.9 million for the Fund for European Aid to the Most Deprived (FEAD) which supports EU countries' actions to provide material assistance to the most deprived. An additional €97 million will be devoted to development of the agricultural sector and rural areas from the European Agricultural Fund for Rural Development (EAFRD), while the allocation for European Maritime and Fisheries Fund (EMFF) amounts to approximately €22.7 million. (Please see Table 1 and Table 2 for allocation details). Malta's agricultural sector and rural areas, the European Agricultural Fund for Rural Development (EAFRD) funding will mainly focus on improving Malta's agricultural sector competitiveness, its adaptation to climate change and the preservation and protection of Malta's fragile natural resources. Specific attention will be given to the improvement of the quality of life in rural areas. These objectives will be achieved through the promotion of a multifunctional agriculture with an important role for innovative approaches to assist the sector in becoming more sustainable. The importance of climate change for the further development of agriculture and the impact of the sector on the environment is also recognized. Therefore, EAFRD will support actions to address the need for more efficient utilization of energy and resources, particularly water and energy. Funds are also made available for bottom-up initiatives that will contribute to the development of the local economy.

The European Maritime and Fisheries Fund (EMFF) funds will focus on increasing the competitiveness of Maltese aquaculture and the sustainable management of natural resources for the marine fisheries sector. This includes initiatives to improve the quality of the produce and to promote the marketing of less common species among the catches. Almost half of the programmed budget will be used for the tasks of fisheries control and enforcement as well as data collection according to the requirements of the reformed Common Fisheries Policy. It will further support measures to diversify fishers' competences and job opportunities in the tourism sector and in maritime surveillance.

To ensure the immediate use of these European Funds, the Maltese Government has announced that the first schemes from this program will be launched starting this year. These funds will be used on projects that are beneficial for citizens as well as for small and medium-sized enterprises in order to stimulate further economic development. Through the use of these EU funds Malta will see an increase in economic growth and job creation. The EU investments will help tackle unemployment and boost competitiveness and economic growth through support to innovation, training and education in cities, towns and rural areas. They will also promote entrepreneurship, fight social exclusion and help to develop an environmentally friendly and a resource-efficient economy.

**The Partnership Agreement focuses on 3 funding priorities:**

**Funding Priority 1: Fostering competitiveness through innovation and the creation of a business friendly environment**

Investment within this priority focuses on the following four thematic areas:

- Research, Technological Development and Innovation (RTDI)
- Information Communication Technologies (ICT)
- Competitiveness of SMEs (including Agriculture and Fisheries)
- Low Carbon (Renewable Energy Use and Energy Efficiency in SMEs)

**Funding Priority 2: Sustaining an environmentally friendly and resource efficient economy**

Investment within this priority focuses on the following four thematic areas:

- Low Carbon
- Climate Change, Risk Prevention and Management
- Environment and Resource Efficiency
- Sustainable Transport

**Funding Priority 3: Creating Opportunities through investment in human capital and improving health and well-being**

Investment within this priority focuses on the following four thematic areas:

- Employment and labor mobility

- Social Inclusion and Combating Poverty
- Education and Training
- Institutional Capacity and Public Administration